Vehicle Inspection New Zealand Limited

Independent Adviser's Report

In Respect of the Full Takeover Offer by JEVIC NZ Limited

January 2013

Statement of Independence

Simmons Corporate Finance Limited confirms that it:

- has no conflict of interest that could affect its ability to provide an unbiased report
- has no direct or indirect pecuniary or other interest in the JEVIC Offer considered in this report, including any success or contingency fee or remuneration, other than to receive the cash fee for providing this report.

Simmons Corporate Finance Limited has satisfied the Takeovers Panel, on the basis of the material provided to the Takeovers Panel, that it is independent under the Takeovers Code for the purposes of preparing this Independent Adviser's Report.

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1. Introduction

1.1 Vehicle Inspection New Zealand Limited

Vehicle Inspection New Zealand Limited (**VINZ** or the **Company**) inspects, tests and certifies new and used vehicles to ensure they comply with New Zealand safety and environmental protection regulations.

The Company's services include Warrant of Fitness (**WoF**) and commercial vehicle Certificate of Fitness (**CoF**) testing, vehicle appraisals and inspections, exhaust emission testing, driver and vehicle licensing and road user charges (**RUC**) collection. As an authorised transport service delivery agent (**TSDA**), VINZ completes entry certification on the New Zealand Transport Agency's (**NZTA**) behalf for approximately 38% of used imported vehicles entering the New Zealand fleet.

VINZ's shares are traded on the unregulated Unlisted securities trading facility with a market capitalisation of $3.8 million as at 18 January 2013. The Company's unaudited total equity as at 31 December 2012 was $5.1 million.

A profile of VINZ is set out in section 4.

1.2 JEVIC Offer

JEVIC NZ Limited (**JEVIC**) sent VINZ a notice of intention to make a full takeover offer for all of the Company's shares that it currently does not own on 11 December 2012 (the **JEVIC Offer**).

JEVIC sent its Offer Document to VINZ's shareholders on 9 January 2013.

Number of Shares Sought

The JEVIC Offer is for all of the ordinary shares in VINZ. JEVIC currently does not hold any shares in the Company but it entered into lock-up agreements on 5 December 2012 (the **Lock-up Agreements**) with 4 shareholders who collectively hold 18.52% of the Company's shares (the **Lock-up Shareholders**), whereby the Lock-up Shareholders have agreed to accept the JEVIC Offer in respect of their shareholdings.

Consideration

JEVIC is offering cash of $1.65 for each VINZ ordinary share.

Conditions

The JEVIC Offer is conditional on JEVIC receiving sufficient acceptances such that JEVIC holds or controls at least 50% of the voting rights in VINZ (the **Minimum Acceptance Condition**). JEVIC cannot waive or vary this condition.

The JEVIC Offer is also subject to the satisfaction of the following conditions:

- JEVIC receiving assurances from the NZTA that the existing VINZ contracts will not be varied, cancelled or otherwise negatively impacted by a successful takeover of VINZ by JEVIC
- JEVIC receiving assurances from Frank Willett, VINZ's general manager, that he will agree to remain with VINZ if the JEVIC Offer is successful

- VINZ not declaring or paying any dividends, other payments or other distributions
- there is no alteration to VINZ's constitution or its capital structure
- the VINZ business is carried on in the normal and ordinary course
- no event has occurred on or after the offer date that has or could have a material adverse effect on the Company's financial position and / or trading operations
- no liquidator, receiver or manager is appointed
- JEVIC obtaining an exemption under Rule 35 of the Takeovers Code (the **Code**) from the Takeovers Panel.

Any of the conditions, other than the Minimum Acceptance Condition, may be waived by JEVIC at its discretion.

Lock-up Agreements

JEVIC has entered into the Lock-up Agreements with 4 shareholders who have acted in concert with JEVIC by acquiring shares in the Company between August and November 2012. We understand that JEVIC funded the acquisition of the 463,000 shares by the Lock-up Shareholders.

The Lock-up Shareholders collectively hold 463,000 shares in the Company, representing 18.52% of the total ordinary shares currently on issue:

- Brent Whale – 323,000 shares (12.92%)
- Matthew Griffiths – 60,000 (2.40%)
- Stuart Weir – 50,000 (2.00%)
- Martin Dijkgraaf – 30,000 (1.20%).

Under the Lock-up Agreements, the Lock-up Shareholders have agreed to accept the JEVIC Offer in respect of the 463,000 shares they collectively hold, conditional on JEVIC meeting the Minimum Acceptance Condition and subject to the other conditions of the JEVIC Offer being met (or waived by JEVIC).

Offer Dates

The offer is open from 9 January 2013 and closes at 5pm on 13 February 2013 (unless extended by JEVIC in accordance with the provisions of the Code).

1.3 JEVIC NZ Limited

JEVIC is part of the JEVIC group of companies, headed by Japan Export Vehicle Inspection Center Co. Limited (**JEVIC Japan**) which is headquartered in Yokohama City, Japan.

The JEVIC Group has been involved in pre-shipment inspections, verifications and certification of used vehicles since 2001. It is an independent organisation with facilities located at major Japanese ports (Yokohama, Kawasaki, Nagoya, Osaka and Kobe) and it operates branch offices in New Zealand, Singapore, the United Kingdom, South Africa and Kenya.

JEVIC was incorporated on 1 July 2003. It is ultimately owned by JEVIC Japan. JEVIC's directors are Euan Philpot and Damon Jackson. Mr Philpot is JEVIC's chief executive officer.

JEVIC is an independent provider of vehicle inspection and border compliance services. Its inspections and services also include export certification, odometer verifications, replacement documentation, stolen vehicle checks, structural damage inspections and vehicle background checks.

JEVIC inspects and manages the pre-shipment inspection of approximately 55,000 vehicles entering New Zealand each year. It has held contracts to provide inspection services to New Zealand Government agencies and leading vehicle importers since 2001:

- it is an approved Ministry for Primary Industries operator for the pre-shipment inspection program in Japan and the United Kingdom. JEVIC describes itself as New Zealand's largest biosecurity vehicle inspectorate with a market share of approximately 85%
- it is authorised by the NZTA as a border inspection organisation.

JEVIC also provides vehicle inspection services to exporters, importers, shipping lines and logistic chain suppliers.

Further details of JEVIC can be found at its website www.jevic.co.nz. Further details of JEVIC Japan can be found at its website www.jevic.com.

1.4 Regulatory Requirements

VINZ is a code company for the purposes of the Code.

Rule 6 of the Code prohibits:

- a person who holds or controls less than 20% of the voting rights in a code company from increasing its holding or control of voting rights (together with its associates) beyond 20% and
- a person holding or controlling 20% or more of the voting rights in a code company from increasing its holding or control of voting rights

unless the person and that person's associates comply with exceptions to this fundamental rule.

One of the exceptions, set out in Rule 7(a) of the Code, enables a person to increase its control of voting rights beyond 20% by making a full offer for all of the shares of the target company.

Rule 21 of the Code requires the directors of a target company to obtain an Independent Adviser's Report on the merits of the offer. This Independent Adviser's Report is to accompany the Target Company Statement required to be sent to the target's shareholders pursuant to Rule 46 and Schedule 2 of the Code.

1.5 Purpose of the Report

The Company's directors have engaged Simmons Corporate Finance Limited (**Simmons Corporate Finance**) to prepare an Independent Adviser's Report on the JEVIC Offer in accordance with Rule 21 of the Code.

Simmons Corporate Finance was approved by the Takeovers Panel on 13 December 2012 to prepare the Independent Adviser's Report.

Simmons Corporate Finance issues this Independent Adviser's Report to assist the Company's shareholders in forming their own opinion on whether or not to accept the JEVIC Offer. We note that each shareholder's circumstances and objectives are unique. Accordingly, it is not possible to report on the merits of the JEVIC Offer in relation to each shareholder. This report on the merits of the JEVIC Offer is therefore necessarily general in nature.

The Independent Adviser's Report is not to be used for any other purpose without our prior written consent.

2. Evaluation of the Merits of the JEVIC Offer

2.1 Basis of Evaluation

Rule 21 of the Code requires an evaluation of the *merits* of the JEVIC Offer.

There is no legal definition of the term *merits* in New Zealand in either the Code or in any statute dealing with securities or commercial law.

In the absence of an explicit definition of *merits*, guidance can be taken from:

- the Takeovers Panel guidance note on the role of independent advisers dated August 2007
- definitions designed to address similar issues within New Zealand regulations which are relevant to the proposed transaction
- overseas precedents
- the ordinary meaning of the term *merits*.

We are of the view that an assessment of the merits of the JEVIC Offer should focus on:

- the assessed value of VINZ's shares and the value of the consideration to be received by shareholders
- the implications of the conditions attached to the offer
- the likelihood of alternative offers or alternative transactions
- the advantages and disadvantages for the shareholders of accepting the JEVIC Offer
- the implications for the shareholders of not accepting the JEVIC Offer.

Our opinion should be considered as a whole. Selecting portions of the evaluation without considering all the factors and analyses together could create a misleading view of the process underlying the opinion.

2.2 Rationale for the JEVIC Offer

JEVIC has stated that its objective in making the takeover offer is to establish an inspection capability within New Zealand to complement its capability in Japan and to be able to offer, under a single umbrella, a tracked inspection service covering the vehicle's pre-shipment inspections in Japan to its certification for on-road use in New Zealand.

The acquisition of VINZ will increase the scale of JEVIC's current business, enabling it to leverage its existing commercial relationships and offer its customers full inspection chain services, including in-country inspections through VINZ's entry certification business.

JEVIC has stated that if it becomes entitled to invoke the compulsory acquisition provisions of the Code, it intends to compulsorily acquire any outstanding shares and have VINZ's shares removed from Unlisted.

JEVIC has also stated that if the JEVIC Offer is declared unconditional but it does not receive sufficient acceptances to invoke the compulsory acquisition provisions of the Code, then it will in due course seek appropriate board representation on the VINZ board of directors (the **Board**) and will participate in decisions relating to VINZ and its future through the Board.

JEVIC intends to work with VINZ's management to understand the detail of VINZ's proposed restructuring plans in respect of its vehicle testing business and to evaluate those plans in terms of the impact of the Government's proposed reform of vehicle licensing regulations (the **Reform**) (which are discussed in section 3.4).

JEVIC has reserved the right to make changes to its stated intentions or alter its strategy depending on the business and regulatory environment and other circumstances applicable after the takeover process has been completed.

We have discussed the rationale for the JEVIC Offer with JEVIC's director and chief executive officer Euan Philpot. Mr Philpot reiterated that the rationale for the takeover offer is to combine JEVIC's offshore pre-shipment inspection capabilities (predominantly in Japan) with VINZ's New Zealand based inspection and certification business. JEVIC envisages that significant numbers of used vehicles will continue to be imported into New Zealand (primarily from Japan) and the combination of the 2 businesses will enable JEVIC to provide its customers with a full range of inspection and certification services as well as improve the efficiency of certain business operations such as vehicle data processing. The acquisition of VINZ will also offer JEVIC a degree of protection against potential regulatory change in the future – particularly if the Government were to permit border inspections of imported vehicles to be undertaken entirely in New Zealand rather than offshore.

2.3 Value of VINZ's Shares Compared with the Offer Price of $1.65

Our assessment of the full underlying value of the VINZ shares is set out in section 5.

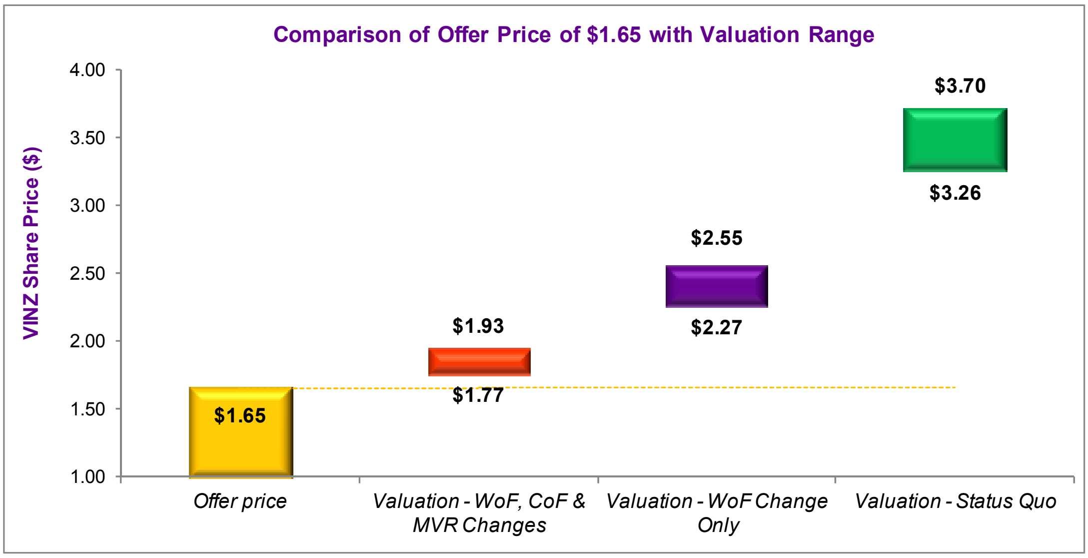
There is considerable uncertainty regarding the future regulatory environment as the outcome of the Reform consultation process has not being finalised at this point in time. Given this uncertainty, we have assessed the fair market value of VINZ under various scenarios, assuming different outcomes of the Reform. The 3 key scenarios in our valuation analysis are:

- *Status Quo* – no changes result from the Reform
- *WoF Change Only* – the Reform results in changes to the WoF regime only, leading to significant reductions in WoF volumes for VINZ
- *WoF, CoF & MVR Changes* – the Reform results in changes to the WoF, CoF and motor vehicle registration (**MVR**) regimes, leading to significant reductions in WoF and CoF volumes and MVR commissions for VINZ.

In our opinion, the full underlying value of the VINZ shares is in the range of:

- $3.26 to $3.70 per share under the *Status Quo* scenario
- $2.27 to $2.55 per share under the *WoF Change Only* scenario
- $1.77 to $1.93 per share under the *WoF, CoF & MVR Changes* scenario.

The assessed values exceed the price at which we would expect minority interests in VINZ to trade on Unlisted at the present time in the absence of a takeover offer.



The JEVIC Offer consideration is cash of $1.65 per share, which is below each of the scenario valuation ranges:

- 49% to 55% below the *Status Quo* scenario valuation range
- 27% to 35% below the *WoF Change Only* scenario valuation range
- 7% to 15% below the *WoF, CoF & MVR Changes* scenario valuation range.

The *Status Quo* scenario valuation represents the full underlying standalone value of VINZ based on its current strategic and operational initiatives under the current regulatory regime. The *Status Quo* scenario should be viewed as an optimistic scenario as it is based on the current regulatory environment. While the current regulations may continue in the near term, the finalisation of the Reform is expected to result in some change to the regulatory environment in the longer term.

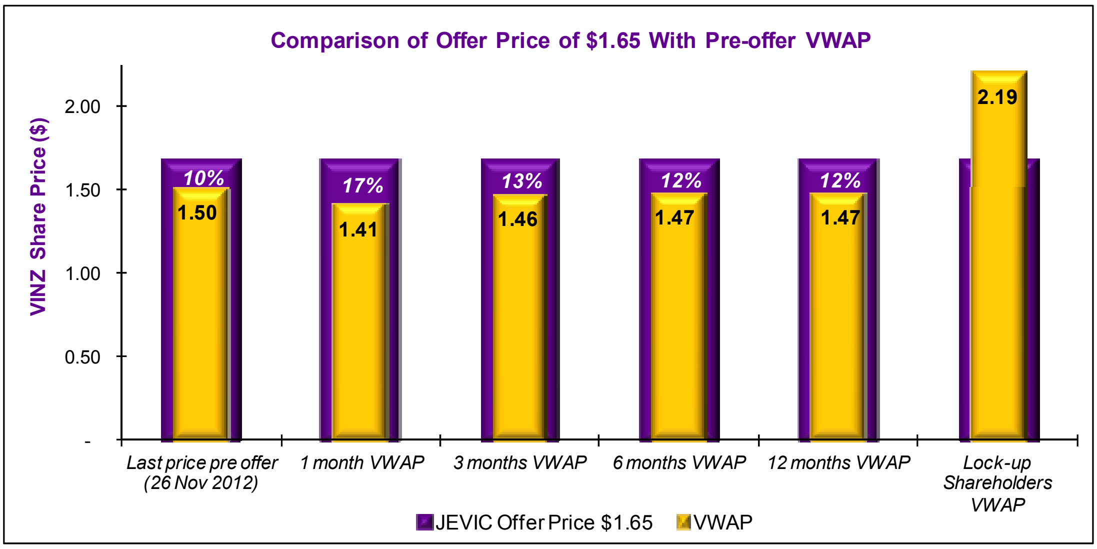
The *WoF Change Only* scenario assesses the value of the Company's shares assuming that the outcomes of the Reform will be focussed primarily on the owners of private vehicles rather than commercial vehicles.

The *WoF, CoF & MVR Changes* scenario should be viewed as a pessimistic scenario for the Company's shareholders based on a severe outcome from the Reform.

Without knowing the outcome of the impact of the Reform on the future regulatory environment at this point in time, a single point opinion on the value of VINZ's shares cannot be provided at the date of this report with any degree of confidence. Accordingly, the valuation range is very wide, reflecting that the potential outcomes of the Reform could have very different impacts on the VINZ business and hence the Company's value.

2.4 VINZ Share Price Compared with Offer Price of $1.65

The JEVIC Offer of $1.65 per share represents a premium of 10% over $1.50 (being the last trading price before the JEVIC Offer was announced) and premia ranging from 12% to 17% over the volume weighted average share price (**VWAP**) measured over one to 12 months.



Since the announcement of the JEVIC Offer on 11 December 2012, no VINZ shares have traded on Unlisted.

The premia over the one month to 12 months VWAP of 12% to 17% are below the premia generally observed in successful takeovers of other listed companies, which tend to be in the range of between 20% and 35%.

We note that trading in the Company's shares is extremely thin. In our view, the lack of liquidity in the Company's shares means that the observed share prices may not be a reliable indicator of the market value of VINZ's shares.

The Lock-up Shareholders were funded by JEVIC and acquired their 463,000 shares in the past 5 months at a VWAP of $2.19, which is 33% higher than the $1.65 offer price.

323,000 of the shares were acquired via an off-market transaction on 19 October 2012 at $2.50 per share, which is 52% higher than the $1.65 offer price.

2.5 Potential Synergies

JEVIC has been quoted in the media as saying that it intends to keep VINZ and JEVIC as 2 separate companies if the JEVIC Offer is successful.

The obvious immediate synergies available to JEVIC arising from full ownership of VINZ would be a reduction in the level of administration costs that would be incurred once the Company was delisted from the Unlisted. The Company would no longer incur Unlisted listing fees, would not need to have any independent directors on its board and it would only have one shareholder to report to. This could lead to up to approximately $0.2 million of cost savings per annum.

Longer term, JEVIC could derive synergistic benefits from its greater control of the supply chain. JEVIC is New Zealand's largest biosecurity vehicle inspectorate with an estimated market share of 85%. It would likely look to direct a significant portion of these vehicles through VINZ's operations when the vehicles enter New Zealand.

2.6 Minimum Acceptance Condition

The JEVIC Offer is conditional on JEVIC receiving acceptances for more than 50% of the voting rights in VINZ by the end of the offer period. JEVIC cannot waive or vary this condition.

The Lock-up Agreements ensure that JEVIC will receive acceptances of at least 18.52% of the Company's shares. However, if JEVIC does not meet the Minimum Acceptance Condition, then it cannot accept any shares under the JEVIC Offer (including the Lock-up Shareholders' shares) and the JEVIC Offer will lapse.

In order to reach the Minimum Acceptance Condition shareholding threshold, JEVIC will need acceptances from shareholders holding at least 787,001 shares (31.48%) in addition to the Lock-up Shareholders' 18.52% shareholding.

The largest shareholding in the Company excluding the Lock-up Shareholders is the 5.56% shareholding held by a trust associated with VINZ director David Weir. The Company's 5 directors (including Mr Weir) collectively hold beneficial interests in 9.56% of VINZ's shares. The Target Company Statement states that none of the Company's directors or their associates holding shares has accepted or intends to accept the JEVIC Offer.

Excluding the Lock-up Shareholders, the 10 largest shareholders in the Company collectively hold 18.72% of the Company's shares, the 20 largest shareholders hold 26.72% and the 30 largest shareholders hold 34.72%. Accordingly, the decision of these shareholders will be instrumental in determining whether JEVIC secures more than 50% of the shares in VINZ through the JEVIC Offer and thereby meets the Minimum Acceptance Condition.

If JEVIC is not successful in securing more than 50% of the shares at its current offer price, it may or may not choose to increase its offer price.

If JEVIC chooses to increase its current offer while the offer is still open, the increased value will be available to all shareholders, even if they have already accepted the $1.65 per share offer.

2.7 Conditions of the JEVIC Offer

The Minimum Acceptance Condition is discussed in section 2.6.

The JEVIC Offer is conditional on JEVIC receiving assurances from the NZTA that the existing VINZ contracts will not be varied, cancelled or otherwise negatively impacted by a successful takeover of VINZ by JEVIC. We are advised by JEVIC that based on its discussions with the NZTA to date, it has no indication that this condition may not be able to be met. In any event, JEVIC has the right to waive this condition at its discretion.

The JEVIC Offer is also conditional on JEVIC receiving assurances from Frank Willett, VINZ's general manager, that he will agree to remain with VINZ if the JEVIC Offer is successful. We are advised by Mr Willett that based on his discussions with JEVIC so far, nothing has arisen that would result in the condition not being able to be met. In any event, JEVIC has the right to waive this condition at its discretion.

The other conditions of the JEVIC Offer relate to distributions, capital structure and business operations. Conditions of this nature are common in takeover offers. We do not consider that any of these conditions represent a major impediment to the offer succeeding.

However, there is a risk that any announcement of the outcome of the Reform before the JEVIC Offer closes could be interpreted by JEVIC as being an event that "has or could have a material adverse effect on the financial position and / or trading operations of VINZ". If JEVIC were to interpret the outcome of the Reform in this manner, it may attempt to declare that the "material adverse event" condition has not been met and therefore the JEVIC Offer could not be declared unconditional.

2.8 Potential Outcomes

JEVIC Does not Achieve the Minimum Acceptance Condition or Another Condition and the Offer Lapses

As discussed in section 2.6, if JEVIC does not meet the Minimum Acceptance Condition, then it cannot accept any shares under the JEVIC Offer (including the Lock-up Shareholders' shares) and the JEVIC Offer will lapse.

Similarly, if any other conditions of the JEVIC Offer are not met or waived by JEVIC, then the JEVIC Offer will lapse.

If the JEVIC Offer does lapse, JEVIC would subsequently be able to directly acquire all or some of the 463,000 shares held by the Lock-up Shareholders as well as other shares in VINZ, providing JEVIC's resultant shareholding in VINZ does not exceed 20%.

JEVIC Secures 90% or More of the Shares

In order to reach the 90% shareholding threshold which would entitle it to invoke the compulsory acquisition provisions of the Code, JEVIC will need acceptances from shareholders holding at least 1,787,000 shares (71.48%) in addition to the Lock-up Shareholders' 18.52% shareholding.

If, as a result of the JEVIC Offer, JEVIC secures 90% or more of the shares in VINZ and the offer is declared unconditional, JEVIC will have the right to, and has stated that it intends to, compulsorily acquire the remaining shares.

The remaining VINZ shareholders will also have the right to sell their shares to JEVIC, in which case JEVIC must purchase those shares.

The price under both scenarios will be $1.65 per share if the current JEVIC Offer reaches the 90% threshold or the increased offer price if the JEVIC Offer price is increased, subject to the terms of the Code.

If JEVIC is successful in acquiring 100% of VINZ, it has stated that it intends to delist the Company from the Unlisted.

JEVIC Secures More Than 50% and Less Than 90% of the Shares

If the Minimum Acceptance Condition is met and the JEVIC Offer is declared unconditional but JEVIC does not meet the 90% shareholding threshold, then VINZ will remain listed on Unlisted (unless the Board decides otherwise) with JEVIC holding between 50.01% and potentially up to 89.99% of the shares in the Company (depending upon the number of shares that are accepted into the JEVIC Offer).

Such an outcome will result in a number of changes that will impact on shareholders who retain their shareholding:

- JEVIC will be able to control appointments to the Company's board of directors. VINZ's board of directors currently consists of 5 non-executive directors. JEVIC has stated that it intends to seek appropriate representation on the Board. On the basis that it controls more than 50% of the Company's shares, it is likely that JEVIC would seek to appoint the majority of the directors on the Board

- JEVIC will be able to control the outcome of any ordinary resolution (50% of votes cast acceptance level) put to shareholders. Depending on the level of acceptances, JEVIC may also be able to control the outcome of any special resolution (75% acceptance level). The Companies Act 1993 provides some level of control in respect of related party transactions between JEVIC and VINZ and changes to a company's constitution which are designed to provide protection to minority shareholders

- the liquidity of VINZ's shares may reduce even further. JEVIC will hold at least 50.01% of the shares in VINZ. The Company's shares are currently held by 98 shareholders and are thinly traded, with less than 1.0% of the shares traded each month on average. If JEVIC acquires more than 50% of the Company's shares, the size of the free float of shares held by shareholders not associated with JEVIC will decrease. This will likely lead to a further reduction in the liquidity of the Company's shares which may suppress the price at which VINZ's shares trade in the future

- the attraction of VINZ as a takeover target will diminish. Any future offeror would require JEVIC to sell its shareholding. However, JEVIC is unlikely to accept an offer of less than $1.65 per share and arguably would seek to achieve a premium from a subsequent potential acquirer, especially given that the Lock-up Shareholders' shareholdings were acquired in the past 5 months at a VWAP of $2.19

- JEVIC will be permitted to *creep* towards the 90% threshold over time by buying up to a further 5% per annum commencing 12 months after the current offer closes in accordance with Rule 7(e) of the Code. However it does not have to wait 12 months to make another takeover offer after the current offer closes. However, if JEVIC did make a subsequent takeover offer for further shares in VINZ, it may not offer a control premium as JEVIC may value its offer on the basis that it already has significant control of VINZ and hence does not need to pay a control premium

- non-accepting shareholders are unlikely to face any material change in business risk in the near term as the Company's operating policies are unlikely to be changed (positively or negatively) due to JEVIC's shareholding in the Company. However, the outcome of the Reform on the future regulatory environment may have a significant impact on the VINZ business in the near term

- non-accepting shareholders may face a change in the Company's dividend policy arising from JEVIC's shareholding in the Company. VINZ's current dividend policy is to distribute between 45% and 75% of normalised after tax profits, subject to consideration of the capital requirements, operating performance, financial position and cash flows of the Company and the prevailing economic conditions at the time. However, there is no certainty that the Company will maintain its current dividend policy. JEVIC has made no comments as to its intentions regarding VINZ's dividend policy

- depending on JEVIC's level of shareholding after the JEVIC Offer has closed, VINZ may lose its current balance of imputation credits that would be attached to dividends in the future for the benefit of tax paying shareholders
- depending on JEVIC's level of shareholding after the JEVIC Offer has closed, JEVIC may decide to make a subsequent "mop up" takeover offer at a later date. Such an offer could be at a premium to the prevailing market price. However, there is no certainty that such an offer would occur and it is possible that such an offer could be at a discount to the current offer if VINZ's share price dropped significantly
- unless a revised or eventual "mop up" takeover offer is anticipated by the market, VINZ's shares could subsequently trade at levels below the JEVIC Offer of $1.65 per share when the JEVIC Offer closes.

2.9 Likelihood of Alternative Takeover Offers

We are advised by the Company's directors that they have recently held discussions with industry participants in respect of alternative takeover offers or alternative transactions impacting on the control of the Company. Based on these discussions, the Company's directors consider that there is a reasonable possibility that a competing takeover offer may arise.

We note that if an alternative takeover offer was made, then those shareholders who had already accepted the JEVIC Offer would not be able to accept those shares into the alternative takeover offer until the JEVIC Offer lapsed.

2.10 Likelihood of JEVIC Increasing the Offer Price

We are not aware of any intention on JEVIC's part to increase its offer price. However, if JEVIC does increase its price under this offer, the increased price will be available to all shareholders, including those who have already accepted the JEVIC Offer at $1.65 per ordinary share (including the Lock-up Shareholders).

2.11 Advantages of Accepting the JEVIC Offer

Offer Price is Above Recent Share Prices

Assuming the JEVIC Offer is declared unconditional, acceptance of the offer will enable shareholders to realise cash of $1.65 for each of their shares.

The $1.65 offer price is at a premium of between 12% and 17% to the VWAP that the shares have traded at over the year up to the announcement of the JEVIC Offer. Since the announcement of the JEVIC Offer, no shares have traded on Unlisted.

As stated previously, trading in the Company's shares is extremely thin. For shareholders with significant shareholdings, the ability to dispose of some or all of their shares by accepting the JEVIC Offer may represent an exit opportunity not available on Unlisted.

Future Regulatory Environment may Have an Adverse Impact on VINZ

The most significant issue that VINZ currently faces is the potential change to the WoF and CoF regimes, annual vehicle licensing and transport services licensing under the Reform. The proposals in respect of the WoF and CoF regimes generally involve less frequent inspections which could have a significant adverse impact on VINZ's inspection volumes and therefore the Company's profitability. This in turn could lead to a decrease in the value at which VINZ's shares trade.

2.12 Disadvantages of Accepting the JEVIC Offer

Forego Possible Future Uplift in VINZ Share Price

By accepting the JEVIC Offer, shareholders will forego the possibility that the value of the Company's operations may increase in time and may be reflected in an increase in VINZ's share price.

However, as stated in section 2.11, the outcome of the Reform on the future regulatory regime could potentially be adverse for VINZ and therefore an expectation of an increase in the value of the Company's operations and its share price in the near term may not be well founded.

Inability to Transact Accepting Shares

If a shareholder accepts the JEVIC Offer, then, until the expiry of the offer period, they will be unable to dispose of the shares which they have accepted into the JEVIC Offer, whether by selling them on-market or by accepting them into an alternative takeover offer.

2.13 Implications of Not Accepting the JEVIC Offer

If JEVIC receives acceptances which result in its shareholding level being at least 90%, then it will be able to compulsorily acquire the remaining shares at $1.65 (or the higher price if JEVIC increases its offer price). Non-accepting shareholders will be required to sell their shares to JEVIC and will not be able to dispute the purchase price.

If JEVIC meets the Minimum Acceptance Condition but does not reach the 90% shareholding threshold, then shareholders who do not accept the JEVIC Offer will continue as shareholders in a company listed on the Unlisted and will be subject to the issues set out in section 2.8 *JEVIC Secures More Than 50% and Less Than 90% of the Shares*.

2.14 Summary of Evaluation of the Merits of the JEVIC Offer

The JEVIC Offer is a full offer for all of the shares in the Company. Factors that shareholders should consider when deciding whether to accept or reject the JEVIC Offer include:

- the JEVIC Offer price of $1.65 per share is below the various valuation ranges we have assessed for the full underlying value of VINZ's shares:
  - $3.26 to $3.70 per share under the *Status Quo* scenario, which should be considered an optimistic scenario as it is based on the current regulatory regime
  - $2.27 to $2.55 per share under the *WoF Change Only* scenario
  - $1.77 to $1.93 per share under the *WoF, CoF & MVR Changes* scenario, which should be considered a pessimistic scenario as it is based on an extremely adverse impact from the Reform

- JEVIC funded the Lock-up Shareholders to acquire their 463,000 shares in the past 5 months at a VWAP of $2.19, including 323,000 shares that were acquired on 19 October 2012 at $2.50 per share:
  - the $2.19 VWAP paid for the Lock-up Shareholders' shares is 33% higher than the $1.65 offer price
  - the $2.50 paid for the 323,000 shares is 52% higher than the $1.65 offer price
- the JEVIC Offer of $1.65 per ordinary share represents a premium ranging from 12% to 17% over the Company's VWAP over the past year of $1.41 to $1.47
- since the announcement of the JEVIC Offer, no shares have traded on Unlisted
- based on the Company's directors' recent discussions with industry participants, there is a reasonable possibility that an alternative takeover offer may be made for the Company's shares.

The main advantage for shareholders of accepting the JEVIC Offer is that they will be able to realise cash of $1.65 per share for their shares. This price is at a premium to the Company's VWAP over the past year. Trading in the Company's shares is extremely thin. The JEVIC Offer provides an opportunity for shareholders to monetise their investment in the Company for a certain price.

A key negative factor of accepting the JEVIC Offer is that the offer price is below our valuation range. It is also below the VWAP paid by the Lock-up Shareholders for their shares. Furthermore, any shares accepted into the JEVIC Offer cannot be accepted into an alternative takeover offer (if one arises) until the JEVIC Offer lapses.

In our view, there is no compelling reason for shareholders to accept the JEVIC Offer. The offer price is below our valuation assessment and below the VWAP paid by the Lock-up Shareholders. The timing of the offer appears to be opportunistic given the considerable uncertainty at the present time in respect of the regulatory environment and its potential impact on VINZ.

Shareholders considering accepting the JEVIC Offer may be best placed to delay submitting their acceptance until close to the date when the offer closes. The closing date for the JEVIC Offer is 13 February 2013. This date can be extended by JEVIC by giving no less than 14 days notice of such an extension. By not immediately accepting the JEVIC Offer, shareholders will be able to determine whether the offer is likely to be declared unconditional and also see whether an alternative takeover offer is lodged.

2.15 Acceptance or Rejection of the JEVIC Offer

Acceptance or rejection of the JEVIC Offer is a matter for individual shareholders based on their own views as to value and future market conditions, risk profile, liquidity preference, tax position and other factors. In particular, taxation consequences will vary widely across shareholders. Shareholders will need to consider these consequences and consult their own professional adviser if appropriate.

3. Overview of the Vehicle Inspection and Certification Industry

3.1 Industry Overview

There are approximately 4.2 million vehicles registered for use on New Zealand roads. These range from cars and motorcycles to big rigs and trailers, with over 90% being light vehicles. Nearly all vehicles are imported and must meet technical standards before entering the country. Once here, they must meet other vehicle standards and regularly pass inspections that ensure their ongoing road worthiness.

As a result, the NZTA requires most vehicles to maintain a WoF through periodic inspections from licensed inspectors. Cars and light vehicles newer than 6 years old (from date of first registration anywhere) must be inspected at least once every twelve months. Older cars require 6 monthly inspections.

Heavy motor vehicles and some classes of light vehicles (such as taxis, shuttles, rental cars and motor cycles, rental campervans and vans or utes) must maintain a CoF, which requires a 6 monthly inspection regardless of the age of the vehicle.

3.2 Regulatory Environment

All used vehicles entering New Zealand for the first time must go through a border check, customs inspection and entry-certification before they can be used on the road. Three Government departments are involved:

- the NZTA, which enforces New Zealand's vehicle standards law as part of the entry certification process
- the New Zealand Customs Service (**Customs**), which checks import requirements such as import tax or duty
- the Ministry for Primary Industries (**MPI**), which checks for biosecurity, (eg the presence of any insects or mud on or in the vehicle).

The main processes for importation of a vehicle are:

- when a vehicle arrives in New Zealand, MPI carries out a quarantine inspection followed by a Customs clearance
- a structural border inspection is carried out by a NZTA-appointed border inspection organisation:
  - within New Zealand this is provided by either KMA (NZ) Limited (**KMA**) or Independent Verification Services Limited
  - offshore inspections are carried out by either JEVIC or Autoterminal Japan Limited (which part owns KMA)
- the vehicle identification number (**VIN**) is issued / decoded by an entry certifier
- the vehicle goes through an entry certification process to check its condition and legal title and approves it for registration
- the vehicle is registered and licensed.

3.3 Industry Structure

TSDAs have been appointed by the NZTA to carry out a range of functions including:

- register new vehicles
- relicense vehicles
- carry out WoF and CoF inspections
- issue RUC licences
- process notices of sale and acquisition transactions
- entry certification inspections for imported vehicles or where a vehicle licence has lapsed for more than one year
- assign and validate VINs
- driver licensing.

There are 3 TSDAs in New Zealand:

- VINZ
- the New Zealand Automobile Association Inc (**NZAA**)
- Vehicle Testing New Zealand Limited (**VTNZ**).

NZAA was founded in 1903 as a pioneering automobile club. It now provides a wide range of products and services to its members (including motoring advice, insurance, finance, maps and travel guides) as well as the TSDA functions. NZAA has 14 vehicle inspection centres and 10 vehicle testing stations.

VTNZ was established as a State owned Enterprise in 1994. It was privatised in 1999 and the Motor Trade Association purchased the company for $19.2 million. VTNZ is the largest of the 3 TSDAs with 85 vehicle testing stations.

WoF service providers do not need to be independent (i.e. they can provide repair services as well as WoF inspections). WoF approval criteria differs between TSDAs and repairers in that TSDAs have to meet higher specifications regarding site / facilities and test equipment, meaning higher levels of capital expenditure are required. There are around 3,400 WoF authorised entities active at present, most being repairers.

Only the 3 TSDAs are able to provide CoF services. The privatisation process provided VTNZ with *grandfather* rights in respect of CoF B services (CoFs for vehicles over 3,500 kgs), requiring VTNZ to maintain national coverage service levels set by the NZTA.

Due to the onerous appointment criteria, there have been very few applications and / or appointments made as an entry certifier. One service provider, On Road New Zealand Limited, was purchased by VTNZ in 2004. One other appointment was made but this organisation was unsuccessful in penetrating the market and withdrew.

The market size for each of the major services provided by the TSDAs is set out below, along with VINZ's approximate market share.

Market Size and Share

Service	Market Size (per annum)	VINZ Market Share
Transaction services (vehicle licensing)	~11.2 million transactions	154,000 (1.4%)
Transaction services (driver licensing)	~1.1 million transactions	14,400 (1.3%)
WoF	~7.6 million transactions (including rechecks)	1% nationally, 3% where represented
CoF A (vehicles 3,500 kg and under)	~102,000 transactions (including rechecks)	30% nationally, 53% where represented
CoF B (vehicles over 3,500 kg)	~363,000 transactions (including rechecks)	10% nationally, 22% where represented
Used vehicle entry certification	~70,000 – 90,000 used imported vehicles	38%

Source: VINZ, VLR CBA WoF and CoF, NZTA, John Nicholls industry statistics

3.4 Vehicle Licensing Reform

A Vehicle Licensing Reform was announced by Transport Minister Gerry Brownlee on 28 March 2012. The Reform is a joint Ministry of Transport and NZTA project that is looking at:

- WoFs / CoFs
- annual vehicle licensing
- transport services licensing.

The Reform aims to simplify and enhance the vehicle licensing system so as to save New Zealanders time and money while continuing to support the Government's commitment to road safety. A *Vehicle Licensing Reform Discussion Document* was issued in September 2012, setting out proposals for reforming vehicle licensing and seeking submissions from the public. The proposals in respect of the WoF and CoF regimes generally involve less frequent inspections.

Decisions on the Reform were initially expected in December 2012 but are now expected later this year. Implementation of any changes is expected to be at least a year later (potentially commencing in July 2014), thereby enabling current market participants to adapt to the new regime.

3.5 Industry Outlook

Given the potential changes to regulations as a result of the Reform, it is likely to be a challenging commercial environment for vehicle inspection and compliance companies in the future.

In particular, the 3 TSDAs are likely to face considerable adverse impacts on their businesses due to a reduction in inspection volumes due to less frequent WoF inspections and a broadening of the number of organisations who may undertake CoF inspections.

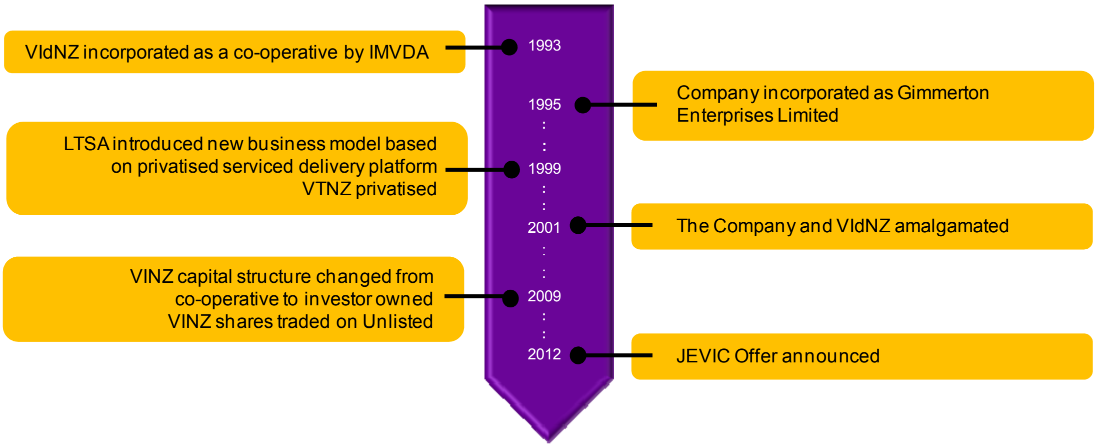
4. Profile of VINZ

4.1 Company Background

The Imported Motor Vehicle Dealership Association (**IMVDA**) established Vehicle Identification New Zealand Limited (**VIdNZ**) as a company on 13 October 1993 and subsequently registered it as a co-operative company.

On 14 November 1995, the Company was incorporated as a co-operative company by IMVDA under the name Gimmerton Enterprises Limited. The Company changed its name to IMVD Enterprises Limited on 17 April 1996. It was amalgamated with VIdNZ and changed its name to Vehicle Identification New Zealand Limited on 31 March 2001. It changed its name to Vehicle Inspection New Zealand Limited on 25 October 2001.

Key events in the Company's history are set out below.



4.2 Nature of Operations

Overview

The purpose of VINZ was initially to provide services to the used vehicle import industry, motor dealerships and their customers.

As a TSDA for over 15 years, the services provided by VINZ have expanded with changing legislative and operational requirements. Today, VINZ has 10 locations, which provide some or all of the following services:

- WoF / CoF
- vehicle appraisals and inspections
- exhaust emission testing
- driver and vehicle licensing
- RUC collection
- entry certification (through a nationwide network of compliance centres).

Deeds of Appointment

VINZ (and the 2 other TSDAs) hold 3 core NZTA Deeds of Appointment:

- a Service Delivery Agreement for Driver and Vehicle Licensing Transaction Services. These have termination dates of 30 April 2014 (for driver licensing) and 30 April 2017 (for vehicle licensing)
- a Deed of Appointment for CoF, Certificate of Loading, WoF and Alternative Fuels, which has a termination date of 30 June 2019
- a Deed of Appointment for Entry Certification, which has a termination date of 30 April 2013 but is subject to performance and may be extended by the NZTA to 30 April 2014. NZTA has recently advised VINZ that if no significant reasons arise with regard to performance of the current Deed, it would expect to extend the Deed for the further year to 30 April 2014.

These 3 appointments are the source of the majority of VINZ's revenue. Other income is received through:

- vehicle pre-purchase inspections
- casual vehicle exhaust emissions testing
- a contract with the Waikato division of the New Zealand Police's Serious Crash Unit.

The driver and vehicle licensing transaction services, WoF, CoF and related services are effectively retail services to the general public and the heavy transport, rental vehicle and taxi industries. These services are provided through VINZ's 10 leased, managed and branded vehicle testing stations located throughout New Zealand.

The entry certification business is primarily business to business servicing, with compliance centres (third party workshops), motor vehicle importers and dealers being the core customer base. The majority of this business is provided by VINZ inspectors visiting customer locations, with the remainder being provided on VINZ premises. VINZ's role is to conduct vehicle inspections, allocate and affix VINs and populate the NZTA LANDATA database with vehicle attributes. This partnership arrangement delivers a one-stop-shop service for used vehicle importers.

Supply Contracts

VINZ has a number of formal and informal service supply contracts in place, ensuring it obtains almost 100% of the organisation's business where VINZ is represented. Key contracts include:

- Tourism Holdings Limited – WoF and CoF inspections. This service contract has recently been renewed for the third year
- Apex Car Rentals (**Apex**) – WoF and CoF inspections. Apex is part of the Avis group
- *AA Smartfuel* – a loyalty rewards scheme where fuel discounts are offered to customers purchasing WoF / CoF inspections. This has helped to increase WoF volumes, particularly where the NZAA does not have suitable facilities. The contract has 18 months to run and has continuous rights of renewal.

4.3 Directors, Senior Management and Staffing

The directors of VINZ are:

- Michael Dossor, deputy chair
- Richard Gray
- Gavin Sendall
- David Weir
- Kenneth Worsley, chair.

All the directors are non-executive directors.

The Company's senior executives are:

- Frank Willett, general manager
- Eric Chang, financial controller
- Robert Hart, national operations manager.

VINZ currently employs 119 full time equivalent staff, of which 107 hold operational positions and 12 are based at VINZ's head office.

Inspectors are generally automotive trade qualified technicians and must meet NZTA's strict eligibility criteria to be considered for such a role. VINZ and NZTA regularly audit all inspectors to ensure quality and consistency of processes and certification.

Customer service officers have to be security cleared in order to access the NZTA LANDATA network and are rigorously trained to conduct vehicle and driver licensing transactions in accordance with NZTA requirements.

4.4 Corporate Strategy

VINZ's key strategies are:

- expanding the Company's testing station network (particularly in Auckland), preferably through acquisition
- improving and expanding relationships with key trade customers
- improving customer service for retail customers
- enhancing staff training
- improving branch productivity and efficiency
- reviewing all major operational equipment for condition, suitability and operational capacity.

4.5 Key Issues Affecting VINZ

The most significant issue that VINZ currently faces is the potential change to the WoF and CoF regimes, annual vehicle licensing and transport services licensing under the Reform. The proposals in respect of the WoF and CoF regimes generally involve less frequent inspections which could have a significant adverse impact on VINZ's inspection volumes and therefore the Company's profitability.

Other key industry and specific business factors and risks that VINZ faces include:

- import controls being established by the Government
- a potential saturation of used import vehicles and potential decline in this industry
- a deterioration in economic conditions may lead to a decline in the spend on vehicles
- establishing new retail outlets is relatively capital intensive and requires significant research to obtain appropriate premises (including the necessary consents)
- recruitment and retention of suitably qualified personnel
- the ability to adequately finance the Company's operations.

4.6 Growth Opportunities

The Board has decided that due to the uncertainty created by the Reform, it is currently not a conducive environment for market expansion and for investment in new branches and facilities. Therefore, until the Government's future policy is resolved, VINZ will concentrate on productivity improvements and improved equipment at existing stations rather than geographical expansion.

4.7 Financial Performance

A summary of VINZ's recent financial performance is set out below.

Summary of Financial Performance

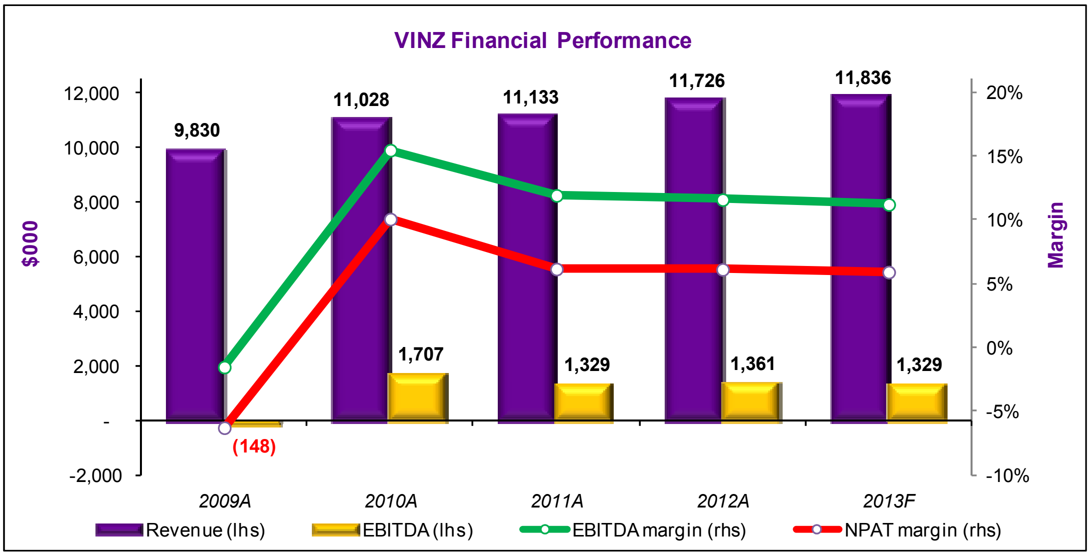
	Year to 31 Mar 09 (Audited) $000	Year to 31 Mar 10 (Audited) $000	Year to 31 Mar 11 (Audited) $000	Year to 31 Mar 12 (Audited) $000	Year to 31 Mar 13 (Forecast)[3] $000
Revenue [1]	9,830	11,028	11,133	11,726	11,836
EBITDA	(148)	1,707	1,329	1,361	1,329
EBIT	(652)	1,225	895	882	828
NPBT	(544)	1,263	983	993	947
NPAT	(615)	1,112	687	720	702
Comprehensive income [2]	(615)	1,112	672	705	702
EPS (cents)	(24.6)	44.5	26.9	28.2	28.1
DPS (cents)	0.0	15.0	15.0	15.0	15.0

EBITDA: Earnings before interest, tax, depreciation and amortisation
EBIT: Earnings before interest and tax
NPBT: Net profit before tax
NPAT: Net profit after tax
EPS: Earnings per share
DPS: Dividends per share (declared)

Notes: 1 Revenue in 2011 and 2012 excludes revenue from discontinued operations
2 Comprehensive income is after losses from discontinued operations
3 2013 forecast represents normalised earnings excluding $166,000 of extraordinary costs

Source: VINZ annual reports and 2013 forecast

VINZ's financial performance improved markedly in the 2010 financial year. Profit levels in the last 2 financial years have remained relatively constant and this level is expected to decrease slightly in the 2013 financial year.



The loss in the 2009 financial year was due to a 23% reduction in revenue without a corresponding reduction in operating expenses. The reduction in revenue was mainly due to a 52% decrease in VINs and certification volumes, arising from a significant decrease in used imported vehicles due to the implementation on 3 January 2008 of the 2007 vehicle exhaust emission rules, the impact of the global financial crisis and the strong Yen / New Zealand dollar exchange rate.

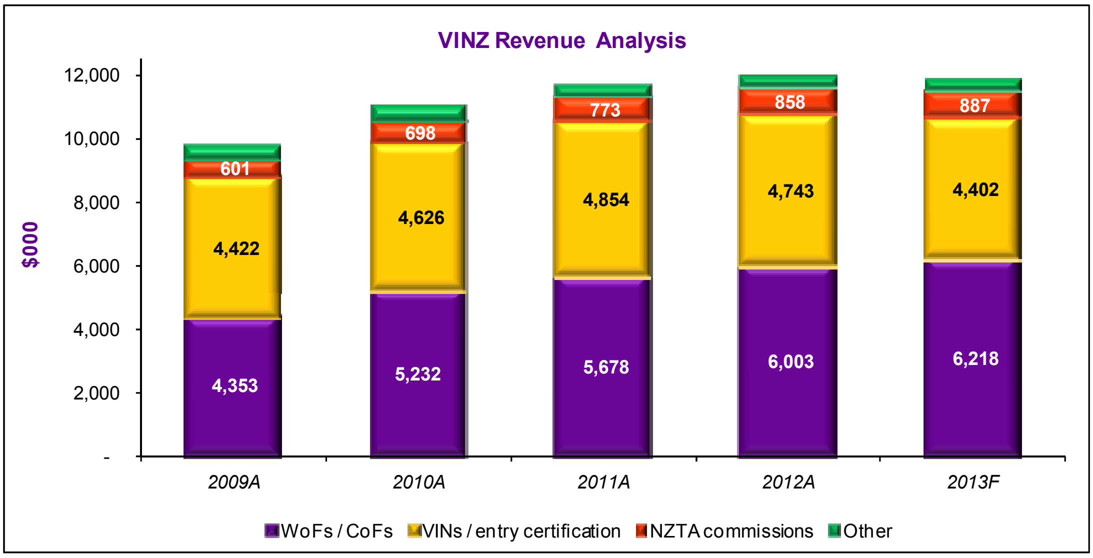
VINZ recorded a 12% increase in revenue in the 2010 financial year, mainly due to an increase in used imported vehicles and an increase in CoF inspections undertaken. The increased revenue combined with the restructuring of the business and improving results from newer testing stations resulted in a significant improvement in profit.

In the 2011 financial year, VINZ experienced pressure on gross margins due to the economic conditions and pre tax profits were affected by surplus property holding costs, increased marketing costs and the impact of the Christchurch earthquakes.

The 2012 financial year was affected by the implementation on 1 January 2012 of the final stage of the 2007 vehicle exhaust emission rules. VINZ continued to be subject to gross margin pressure due to the general deterioration in retail offerings. The Whangarei testing station was closed in August 2011. Trading at the Christchurch Central testing station recovered following the earthquakes of the previous year. However, the risk profile and forward cash flow potential of the Dunedin compliance business was deemed to be affected by the economic downturn and goodwill of $70,000 was written off in 2012.

Revenue

VINZ's revenue has grown steadily from $9.8 million in the 2009 financial year to $11.9 million in 2012 (including revenue from the Whangarei testing station which was closed in August 2011). Growth has primarily been from increased WoF / CoF volumes. Revenue is forecast to remain relatively steady at $11.8 million in the 2013 financial year.



Source: VINZ management accounts. 2011 and 2012 revenue includes revenue from discontinued operations

VINZ's forecast revenue mix for the 2013 financial year is:

- WoFs and CoFs – 53% of total revenue
- VINs and entry certification – 37%
- NZTA commissions (driver and vehicle licensing transaction services) – 7%
- other revenue (eg appraisals, emission testing) – 3%.

Operating Expenses

VINZ's main operating expenses are:

- salaries and wages, equating to between 54% and 65% of revenue each year
- rental and operating lease costs, equating to between 11% and 14% of revenue each year.

EBITDA margin has been relatively consistent at approximately 12% in the last 2 financial years and is forecast to reduce slightly in the 2013 financial year.

2013 Forecast

The 2013 budget was approved by VINZ's directors in March 2012. The budget assumed:

- no regulatory changes
- no changes in the number of testing stations
- a reduction in the volume of used vehicles imported from Japan from 90,527 vehicles in the 2011 calendar year to 60,000 vehicles in 2012 due to the implementation of the final stage of the 2007 vehicle exhaust emission rules on 1 January 2012
- VINZ's market share of the VINs and certification market remaining at 38%
- slight increases in the market volumes for CoF A and B inspections with VINZ's market share levels remaining the same
- a small increase in VINZ's share of the WoF market.

VINZ is forecasting that it will trade ahead of budget in the 2013 financial year. The 2013 forecast is for revenue to be $0.8 million ahead of budget and NPAT (after extraordinary costs) to be $0.3 million ahead of budget. The increase in revenue is largely driven by higher than budgeted VIN and certification volumes (albeit still lower than actual volumes in the 2012 financial year) and higher WoF volumes.

The 2013 forecast is based on VINZ's actual results for the 9 months to 31 December 2012 and forecast results for the remaining 3 months to 31 March 2013. The forecast is based on the following key assumptions:

- no regulatory changes
- revenue remains relatively constant at $11.8 million:
  - VIN and certification volumes reduce by 10%
  - CoF volumes reduce by 6%
  - WoF volumes increase by 11%
- salaries and wages expense decreases by approximately 1%
- other expenses increase by approximately 1%
- $0.2 million of extraordinary costs in respect of the JEVIC Offer and restructuring initiatives.

4.8 Financial Position

A summary of VINZ's recent financial position is set out below.

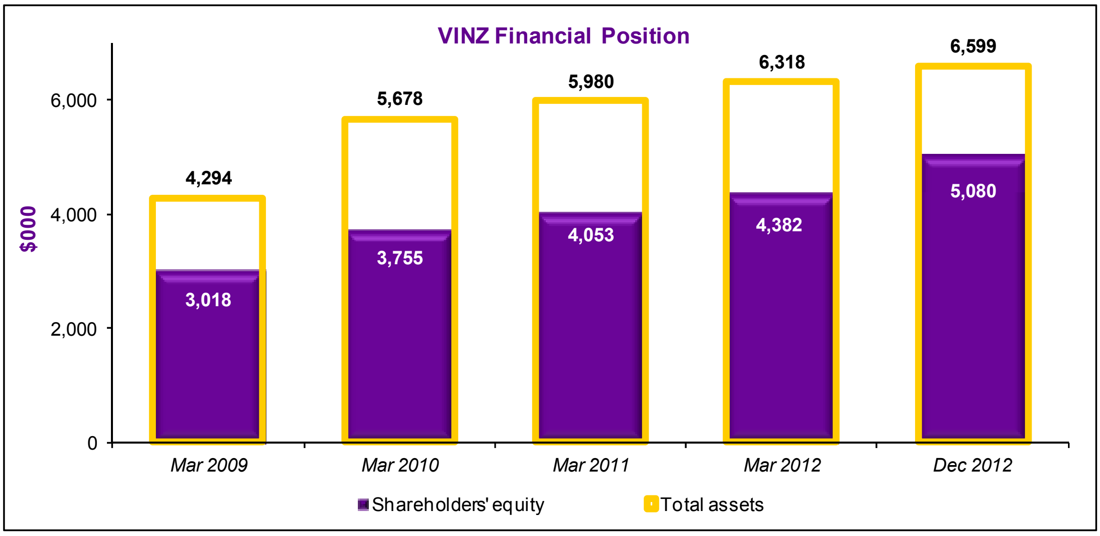
Summary of Financial Position

	As at 31 Mar 09 (Audited) $000	As at 31 Mar 10 (Audited) $000	As at 31 Mar 11 (Audited) $000	As at 31 Mar 12 (Audited) $000	As at 31 Dec 12 (Unaudited) $000
Cash and cash equivalents	817	1,916	2,531	2,943	3,165
Receivables and prepayments	862	1,345	1,087	1,138	1,231
Inventories	110	96	115	91	80
Current assets	1,789	3,357	3,733	4,172	4.476
Property, plant and equipment	2,010	1,851	1,782	1,759	1,748
Deferred tax asset	189	185	202	213	222
Intangible assets	306	285	263	174	153
Non-current assets	2,505	2,321	2,247	2,146	2,123
Total assets	4,294	5,678	5,980	6,318	6,599
Current liabilities	(1,276)	(1,923)	(1,927)	(1,936)	(1,519)
Total equity	3,018	3,755	4,053	4,382	5,080

Source: VINZ annual reports and 31 December 2012 management accounts

The VINZ business is able to operate on negative operating working capital as its creditors and accruals exceed its receivables and (negligible) inventories each month. Its main investment is in property, plant and equipment.

The Company has significant cash balances and no interest bearing debt. The Company has undrawn banking facilities with Bank of New Zealand.



Source: VINZ annual reports and 31 December 2012 management accounts

Cash balances exclude money held in trust for the NZTA.

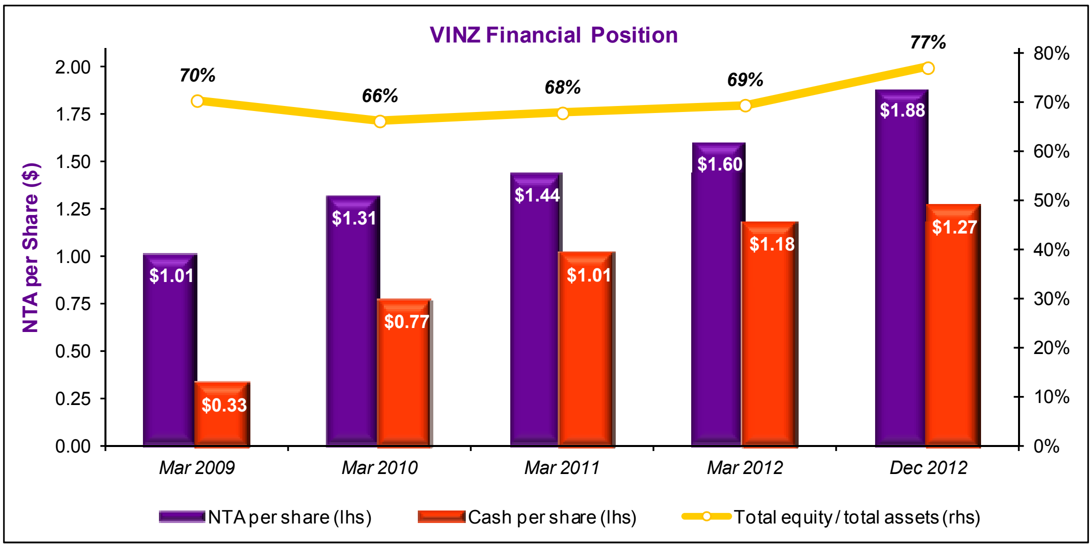
Property, plant and equipment as at 31 December 2012 consisted mainly of plant and equipment ($0.9 million) and leasehold improvements ($0.5 million).

The deferred tax asset arises mainly in respect of timing differences on provisions (eg holiday pay).

Intangible assets consist of software and goodwill in respect of the acquired Palmerston North WoF testing station.

Current liabilities as at 31 December 2012 consisted of employment entitlements of $0.7 million, trade and other payables of $0.5 million and GST payable of $0.3 million.

VINZ does not have any non current liabilities.



Source: VINZ annual reports and 31 December 2012 management accounts

The Company's level of net tangible assets (**NTA**) per share has increased steadily from $1.01 as at 31 March 2009 to $1.88 as at 31 December 2012. A significant portion of NTA is represented by cash. As at 31 December 2012, cash amounted to $1.27 per share, representing 68% of NTA per share.

VINZ's equity : total assets ratio has increased from 66% to 77% over the last 3 years. The Company's assets are financed by equity and non-interest bearing debt.

4.9 Cash Flows

A summary of VINZ's recent cash flows is set out below.

Summary of Cash Flows

	Year to 31 Mar 09 (Audited) $000	Year to 31 Mar 10 (Audited) $000	Year to 31 Mar 11 (Audited) $000	Year to 31 Mar 12 (Audited) $000	Year to 31 Mar 13 (Forecast) $000
Net cash flow (used in) / from operating activities	(185)	1,403	1,378	1,239	988
Net cash (used in) investing activities	(763)	(304)	(388)	(452)	(728)
Net cash (used in) financing activities	(83)	-	(375)	(375)	(375)
Net increase / (decrease) in cash held	(1,031)	1,099	615	412	(115)
Opening cash balance	1,848	817	1,916	2,531	2,943
Closing cash balance	817	1,916	2,531	2,943	2,828

Source: VINZ annual reports and 2013 forecast

Net cash flow from operating activities has generally moved in line with profit levels each year.

Net cash used in investing activities represents net capital expenditure.

Net cash used in financing activities in the 2009 financial year was in respect of redeeming shares (under the co-operative structure) and the payment of dividends in the 2011 and 2012 financial years.

The 2013 forecast cash flows include actual cash flows for the 9 months ended 31 December 2012 and are based on the following key assumptions:

- net capital expenditure of $0.7 million for the year ($0.6 million has been incurred in the 9 months to 31 December 2012)
- a dividend of $0.15 per share was paid on 11 May 2012.

4.10 Capital Structure and Shareholders

VINZ currently has 2,500,000 ordinary shares on issue held by 98 shareholders.

Under clause 14.5 of VINZ's constitution, the Board has the power to refuse to register a transfer of shares if the continued benefit of the NZTA contracts may be jeopardised. At present, under the contracts, if any one shareholder acquires more than 10% of the shares on issue and a conflict may arise between the interests of that shareholder and the obligations of the Company under the contracts, there is potential for a breach of contracts.

The names, number of shares and percentage holding of the 10 largest ordinary shareholders as at 18 December 2012 are set out below.

10 Largest Shareholders

Shareholder	No. of Shares Held	%
Brent Whale	323,000	12.92%
David Weir, Wendy Weir and Eltan (Weir) Trustees Limited	139,000	5.56%
W Custodians Limited	70,928	2.84%
Matthew Griffiths	60,000	2.40%
Stuart Weir	50,000	2.00%
Ellerslie Land Holdings Limited	40,000	1.60%
Metro Auto Court Limited	40,000	1.60%
Rowan Johnston	40,000	1.60%
Gadbrook Limited	39,072	1.56%
Martin Dijkgraaf	30,000	1.20%
	832,000	33.28%
Others (88 shareholders)	1,668,000	66.72%
Total	2,500,000	100.00%

Source: VINZ

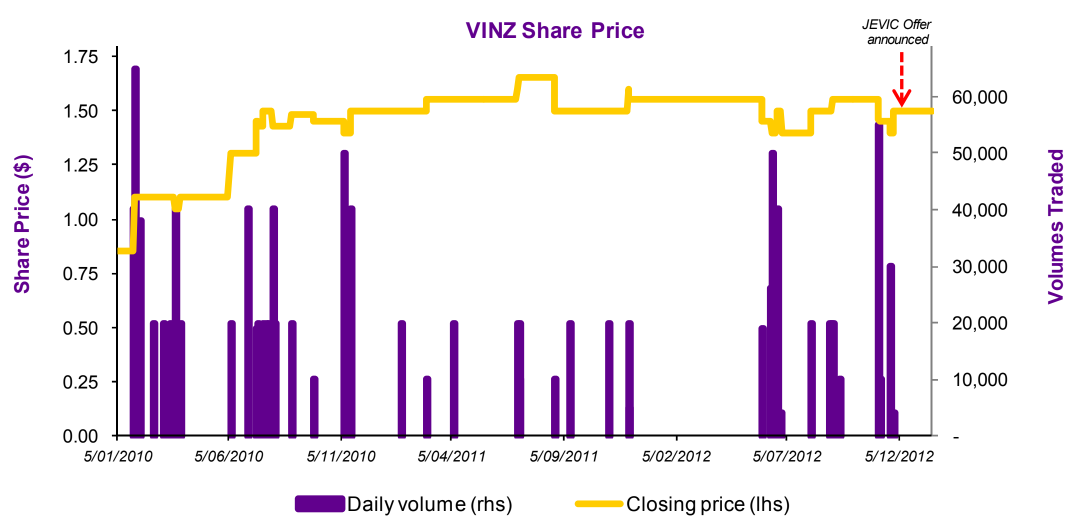
The Company's 5 directors collectively hold beneficial interests in 239,000 shares (9.56%).

The Lock-up Shareholders represent 4 of VINZ's top 10 shareholders and collectively hold 463,000 shares in the Company (18.52%). The Lock-up Shareholders' shareholdings were acquired in the past 5 months at a VWAP of $2.19:

- Brent Whale acquired his 323,000 shareholding from Turakirae Investments Limited (**Turakirae**) via an off-market transaction on 19 October 2012 at $2.50 per share
- Stuart Weir acquired his 50,000 shareholding in 3 tranches between 31 August 2012 and 13 September 2012 at prices between $1.50 and $1.55 at a VWAP of $1.53
- Matthew Griffiths acquired his 60,000 shareholding in 3 tranches between 5 November 2012 and 7 November 2012 at prices between $1.45 and $1.47 at a VWAP of $1.47
- Martin Dijkgraaf acquired his 30,000 shareholding in 2 tranches on 21 and 22 November 2012 at $1.40 per share.

4.11 Share Price History

Set out below is a summary of VINZ's daily closing share price and daily volumes of shares traded from 5 January 2010 to 18 January 2013.



Source: Unlisted

During the period, VINZ's shares have traded between $0.85 (on 26 January 2010) and $1.65 (on 5 and 6 July 2011) at a VWAP of $1.37.

The largest daily volume was traded on 27 January 2010, when 65,000 shares traded at a VWAP of $1.03.

The graph does not include the off-market transaction between Mr Whale and Turakirae on 19 October 2012 for 323,000 shares at $2.50 per share.

An analysis of VWAP, traded volumes (both total shares and volumes excluding trading by the Lock-up Shareholders) and liquidity (measured as traded volumes as a percentage of total shares outstanding) up to 10 December 2012 (the last trading day before the JEVIC Offer was announced) is set out below.

VINZ Share Trading up to 10 December 2012

	Low $	High $	VWAP $	Volume Traded		Liquidity	
				Total (000)	Excl Lock-up Shareholders (000)	Total	Excl Lock-up Shareholders
1 month	1.40	1.50	1.41	34	4	1.4%	0.2%
3 months	1.40	1.55	1.46	109	9	4.4%	0.4%
6 months	1.40	1.55	1.47	329	189	13.2%	7.6%
12 months	1.40	1.55	1.47	348	208	13.9%	8.3%

Source: Unlisted

A significant portion of the trading volumes relate to the share purchases by the Lock-up Shareholders between August and November 2012.

VINZ's shares closed at $1.50 on 10 December 2012 (based on a last trade of 4,000 shares on 26 November 2012).

Since the announcement of the JEVIC Offer on 11 December 2012, no shares have traded on Unlisted.

5. Valuation of VINZ

5.1 Introduction

The JEVIC Offer is a full takeover offer for all of the Company's shares. In such circumstances, we are of the view that the appropriate basis upon which to evaluate the fairness of the JEVIC Offer is to compare the offer price of $1.65 per share with the full underlying value of VINZ on a standalone basis, pro-rated across all shares.

Such an approach attributes full control value to VINZ under its current strategic and operational initiatives, but excludes the value of any synergies that may accrue to a specific acquirer. The resulting value exceeds the price at which we would expect minority interests in VINZ to trade in the absence of the JEVIC Offer.

This approach is in line with one of the Code's core foundations that all shareholders be treated equally and is consistent with Rule 57(4) of the Code (which deals with specific circumstances when an expert determination is required in respect of compulsory acquisition), which seeks to avoid issues of premia or discounts for minority shareholdings.

5.2 Standard of Value

We have assessed the fair market value of 100% of the shares in VINZ.

Fair market value is defined as the price that a willing but not anxious buyer, with access to all relevant information and acting on an arm's length basis, would be prepared to pay to a willing but not anxious seller in an open, unrestricted and stable market.

5.3 Basis of Valuation

In general terms it is recognised that the value of a share represents the present value of the net cash flows expected therefrom. Cash flows can be in the form of either dividends and share sale proceeds or a residual sum derived from the liquidation of the business.

There are a number of methodologies used in valuing shares and businesses. The most commonly applied methodologies include:

- discounted cash flow (**DCF**)
- capitalisation of earnings
- net assets or estimated proceeds from an orderly realisation of assets.

Each of these valuation methodologies is applicable in different circumstances. The appropriate methodology is determined by a number of factors including the future prospects of the business, the stage of development of the business and the valuation practice or benchmark usually adopted by purchasers of the type of business involved.

The DCF method is the fundamental valuation approach used to assess the present value of future free cash flows (**FCF**), recognising the time value of money and risk. The value of an investment is equal to the value of FCF arising from the investment, discounted at the investor's required rate of return.

The capitalisation of earnings method is an adaptation of the DCF method. It requires an assessment of the maintainable earnings of the business and a selection of a capitalisation rate (or earnings multiple) appropriate to that particular business for the purpose of capitalising the earnings figure.

An assets based methodology is often used in circumstances where the assets of a company have a market value independent of the profitability of the company that owns them. A valuation based on an orderly realisation of assets is normally restricted to instances where the investor holds sufficient control to effect a sale of the assets and/or there is some indication that an orderly realisation is contemplated.

5.4 Valuation Approach

There is considerable uncertainty regarding the future regulatory environment as the outcome of the Reform consultation process has not been finalised at this point in time. Given this uncertainty, VINZ has prepared financial projections for the 2014 financial year based on the current regulatory environment and for the 2015 financial year under 3 scenarios based on potential outcomes of the Reform:

- *Status Quo* – no changes result from the Reform
- *WoF Change Only* – the Reform results in changes to the WoF regime only. Option 2 of the Reform is implemented, whereby there are no inspections for the first 3 years of a vehicle's life and then annually thereafter
- *WoF, CoF & MVR Changes* – the Reform results in changes to the WoF, CoF and MVR regimes:
  - no WoF inspections for the first 3 years of a vehicle's life and annually thereafter
  - CoF A frequency is aligned to WoF frequency and CoF A inspections are undertaken by a wider range of inspecting organisations
  - CoF B inspections are undertaken by a wider range of inspecting organisations
  - MVR transactions reduce as users switch to direct online processing.

Given the uncertainty regarding the outcome of the Reform, we have assessed the fair market value of VINZ under each of the 3 scenarios.

For each scenario, we have assessed the VINZ enterprise value using a simplified DCF approach:

- first, the FCF of the business are forecast for:
  - the 3 months ended 31 March 2013
  - the year ended 31 March 2014 (based on the current regulatory environment)
  - the year ended 31 March 2015 (when the changes (if any) in the regulatory environment are expected to commence)
  - the year ended 31 March 2016 (when the VINZ business has been restructured (as necessary) to accord with the changed regulatory environment)
  - a forecast of maintainable FCF beyond then is used to determine a perpetuity value

- then the FCF are adjusted to reflect their value as at 31 December 2012. Present values are calculated by discounting the FCF at an appropriate discount rate.

FCF represent the surplus cash associated with the business after deducting operating expenses, tax, movements in working capital and capital expenditure. They represent the cash which is available to pay returns to providers of debt and equity capital.

The discount rate used to determine the present values of the FCF is the estimated weighted average cost of capital (**WACC**). The WACC is a blend of the cost of debt and the cost of equity, weighted in accordance with the target capital structure of an entity owning the business. The WACC represents the rate of return required by investors to compensate them for the business risks they bear by investing in the business.

We have also assessed the enterprise value using the capitalisation of earnings approach to test the reasonableness of the 3 scenarios' DCF valuation outcomes.

The enterprise value represents value of the core VINZ operating business, prior to considering how the business is financed or whether it has any significant surplus assets. It is the market value of the Company's operating assets (i.e. operating working capital, fixed assets and intangible assets such as brand names, software, licences, know-how and general business goodwill) that generate the operating income of the VINZ business.

In order to assess the value of VINZ's shares, we have added the Company's net cash and cash equivalents to the enterprise value.

The valuation approach results in a very wide valuation range, reflecting that the various potential outcomes of the Reform could have very different impacts on the VINZ business and hence the Company's value. In our view, without knowing the outcome of the impact of the Reform on the future regulatory environment at this point in time, a single point assessment of the value of VINZ's shares cannot be undertaken at the date of this report with any degree of confidence.

5.5 Valuation Assessment

Free Cash Flows

The FCF adopted in the DCF valuations are based on the VINZ financial forecasts for the 3.25 years to 31 March 2016 prepared by VINZ in December 2012. The Company's directors consider the detailed FCF to be commercially sensitive as they include data on volumes and prices which the Company does not disclose in any of its publications. Accordingly, the assumptions underlying the FCF for each scenario are set out below but the FCF are not disclosed in this report.

The key value drivers that materially impact VINZ's FCF are:

- VIN and certification volumes
- WoF volumes
- CoF volumes
- MVR commissions
- operating expenses
- capital expenditure.

VIN and Certification Volumes

VIN and certification volumes are driven by the volume of used vehicles imported into the country each year and VINZ's market share for VIN and certification services. VINZ forecasts 85,000 used vehicles will be imported in the 2014 financial year and 90,000 per annum thereafter. VINZ forecasts that it will maintain its 38% market share.

WoF Volumes

Approximately 7.6 million WoF transactions take place each year (including rechecks). VINZ's market share is approximately 1%.

Under the *Status Quo* scenario, VINZ forecasts that WoF transactions will increase by 5% per annum and VINZ will maintain its market share.

Under the *WoF Change Only* and the *WoF, CoF & MVR Changes* scenarios, it is assumed that the WoF option 2 of the Reform is implemented, resulting in changes to the WoF regime whereby no inspections are undertaken for the first 3 years of a vehicle's life and then annually thereafter.

VINZ forecasts that this will reduce its annual WoF volumes by 60% and annual WoF revenue by approximately $1.4 million.

CoF Volumes

Approximately 102,000 CoF A transactions take place each year (including rechecks). VINZ's market share is approximately 30%.

Approximately 363,000 CoF B transactions take place each year (including rechecks). VINZ's market share is approximately 10%.

Under the *Status Quo* and *WoF Change Only* scenarios, VINZ forecasts that CoF A transactions will remain static, CoF B transactions will increase by 2.5% each year and VINZ will maintain its market share.

Under the *WoF, CoF & MVR Changes* scenario, it is assumed that CoF option 2 of the Reform is implemented, resulting in changes to the CoF regime whereby the frequency of CoF A inspections is aligned with the frequency of WoF inspections and CoF inspections will be able to be undertaken by a wider range of inspecting organisations.

VINZ forecasts that this will reduce its annual CoF A volumes by 80%, its annual CoF B volumes by 50% and its annual CoF revenue by approximately $2.3 million.

MVR Commissions

VINZ's forecasts that the changes to the WoF and CoF regimes will lead to users switching to direct online processing for vehicle registrations, resulting in a 63% reduction in annual MVR commissions (approximately $0.4 million).

Operating Expenses

Salaries and wages represent VINZ's largest operating expense, amounting to almost 60% of revenue. VINZ forecasts that its total salaries and wages expense will remain relatively constant at approximately $7.0 million in the 2013, 2014 and 2015 financial years.

VINZ forecasts under the *WoF Change Only* and the *WoF, CoF & MVR Changes* scenarios for the 2016 financial year that it will restructure its business to align with the reduced WoF and CoF volumes, primarily by reducing staff numbers as well as achieving certain savings in administration costs, marketing and insurance.

Total annual savings from the restructuring are estimated at $1.2 million under the *WoF Change Only* scenario and $2.7 million under the *WoF, CoF & MVR Changes* scenario.

Restructuring costs are estimated at $0.1 million under the *WoF Change Only* scenario and $0.4 million under the *WoF, CoF & MVR Changes* scenario.

Capital Expenditure

As discussed in section 4.6, the Company's directors do not consider the current environment to be conducive for market expansion. Accordingly, VINZ forecasts no significant expansionary capital expenditure under the scenarios. Maintenance capital expenditure is forecast at $0.5 million per annum under the *Status Quo* scenario, $0.4 million per annum under the *WoF Change Only* scenario and $0.3 million per annum under the *WoF, CoF & MVR Changes* scenario.

Weighted Average Cost of Capital

The calculation of the WACC, while being derived from detailed formula, is fundamentally a matter of professional judgement. We have used the Capital Asset Pricing Model to assess the WACC for VINZ.

We have assessed the WACC for VINZ to be in the vicinity of 15.0%. Key inputs in the WACC assessment are:

- a risk free rate of 5.0%
- an asset beta of 0.8
- a debt risk premium of 5.0%
- a post investor tax market risk premium of 7.0%
- a small company premium of 3.0%
- a discount for lack of marketability of 20%
- target financial leverage of 20%
- a corporate tax rate of 28%.

The above inputs result in a cost of equity in the vicinity of 17.0% and a cost of debt (before tax) in the vicinity of 10.0%.

Sensitivity Analysis

We have evaluated the sensitivity of the valuation outcomes to changes to the key value drivers, including discount rate assumptions, terminal growth assumptions and cost saving assumptions from the restructuring of the business.

Capitalisation of Earnings Valuation

As a cross check of the DCF outcomes, we have assessed the enterprise value applying the capitalisation of earnings method.

We have assessed VINZ's maintainable EBIT under the *Status Quo* scenario to be in the range of $0.83 million to $0.87 million and consider an appropriate prospective EBIT multiple for VINZ to be in the range of 6.0x to 7.0x. This derives an enterprise value of $5.0 million to $6.1 million under the *Status Quo* scenario.

Valuation Conclusion

Based on the above, we assess VINZ's enterprise value to be in the range of $1.3 million to $6.1 million, depending on the assumptions adopted regarding the outcome of the Reform on the future regulatory environment.

The bottom end of the range is based on the *WoF, CoF & MVR Changes* scenario and the top end of the range is based on the *Status Quo* scenario.

VINZ Enterprise Value		
	Low $000	**High $000**
Status Quo scenario	4,980	6,090
WoF Change Only scenario	2,500	3,200
WoF, CoF & MVR Changes scenario	1,250	1,660

5.6 Valuation of VINZ Shares

To derive the value of the VINZ shares, the Company's net cash and cash equivalents is added to the enterprise value. We are of the view that the Company has no other surplus assets of significant value at the present time.

The Company's net cash and cash equivalents as at 31 December 2012 amounted to $3.2 million. We have adopted this level of cash and cash equivalents for valuation purposes.

We assess the fair market value of 100% of the shares in VINZ to be in the range of $8.1 million to $9.3 million as at the present date under the *Status Quo* scenario. This equates to a value of $3.26 to $3.70 per share.

Valuation of VINZ Shares – *Status Quo* Scenario		
	Low $000	**High $000**
Value of VINZ business - *Status Quo* scenario	4,980	6,090
Net cash for valuation purposes	3,165	3,165
Value of VINZ shares - *Status Quo* scenario	8,145	9,255
Number of shares currently on issue	2,500,000	2,500,000
Value per share - *Status Quo* scenario	$3.26	$3.70

The *Status Quo* scenario valuation represents the full underlying standalone value of VINZ based on its current strategic and operational initiatives under the current regulatory regime.

In our view, the *Status Quo* scenario should be viewed as an optimistic scenario as it is based on the current regulatory environment. While the current regulations may continue in the near term, the finalisation of the Reform is expected to result in some change to the regulatory environment in the longer term.

We assess the fair market value of 100% of the shares in VINZ to be in the range of $5.7 million to $6.4 million as at the present date under the *WoF Change Only* scenario. This equates to a value of $2.27 to $2.55 per share.

Valuation of VINZ Shares – *WoF Change Only* Scenario

	Low $000	High $000
Value of VINZ business – *WoF Change Only* scenario	2,500	3,200
Net cash for valuation purposes	3,165	3,165
Value of VINZ shares – *WoF Change Only* scenario	5,665	6,365
Number of shares currently on issue	2,500,000	2,500,000
Value per share – *WoF Change Only* scenario	$2.27	$2.55

The *WoF Change Only* scenario assesses the value of the Company's shares assuming that the outcome of the Reform will be primarily focussed on the owners of private vehicles rather than commercial vehicles.

We assess the fair market value of 100% of the shares in VINZ to be in the range of $4.4 million to $4.8 million as at the present date under the *WoF, CoF & MVR Changes* scenario. This equates to a value of $1.77 to $1.93 per share.

Valuation of VINZ Shares – *WoF, CoF & MVR Changes* Scenario

	Low $000	High $000
Value of VINZ business – *WoF, CoF & MVR Changes* scenario	1,250	1,660
Net cash for valuation purposes	3,165	3,165
Value of VINZ shares - *WoF, CoF & MVR Changes* scenario	4,415	4,825
Number of shares currently on issue	2,500,000	2,500,000
Value per share - *WoF, CoF & MVR Changes* scenario	$1.77	$1.93

The *WoF, CoF & MVR Changes* scenario valuation should be viewed as a pessimistic scenario for the Company's shareholders based on a severe adverse outcome from the Reform.

As previously stated, without knowing the outcome of the impact of the Reform on the future regulatory environment at this point in time, a single point opinion on the value of VINZ's shares cannot be provided at the date of this report with any degree of confidence. Accordingly, the valuation range is very wide, reflecting that the potential outcomes of the Reform could have very different impacts on the VINZ business and hence the Company's value.

The value ranges exceed the price at which we would expect minority interests in VINZ to trade on Unlisted at the present time in the absence of a takeover offer.

6. Sources of Information, Reliance on Information, Disclaimer and Indemnity

6.1 Sources of Information

The statements and opinions expressed in this report are based on the following main sources of information:

- the JEVIC takeover notice dated 11 December 2012
- the JEVIC Offer Document dated 9 January 2013
- the draft VINZ Target Company Statement
- the VINZ board minutes from February 2010 to December 2012
- the VINZ annual reports for the years ended 31 March, 2009 to 2012
- the VINZ half annual report for the 6 months ended 30 September 2012
- the VINZ management accounts for the 9 months ended 31 December 2012
- the VINZ budget for the year ended 31 March 2013
- the VINZ forecast for the year ended 31 March 2013
- the VINZ financial projections for the years ended 31 March 2014 and 2015
- share price data from Unlisted
- publicly available information regarding the New Zealand vehicle inspection and certification industry, including the *Vehicle Licensing Reform Discussion Document* dated September 2012.

During the course of preparing this report, we have had discussions with and / or received information from the Company's directors and the executive management of VINZ and VINZ's legal and financial advisers.

The Company's directors have confirmed that we have been provided for the purpose of this Independent Adviser's Report with all information that the Company's directors consider relevant to the JEVIC Offer that is known to them and that all the factual information provided by the Company contained in this report is true and accurate in all material aspects and is not misleading by reason of omission or otherwise.

Including this confirmation, we have obtained all the information that we believe is necessary for the purpose of preparing this Independent Adviser's Report.

In our opinion, the information set out in this Independent Adviser's Report is sufficient to enable the Company's directors and the shareholders to understand all the relevant factors and to make an informed decision in respect of the JEVIC Offer.

6.2 Reliance on Information

In preparing this report we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was available from public sources and all information that was furnished to us by VINZ and its advisers.

We have evaluated that information through analysis, enquiry and examination for the purposes of preparing this report but we have not verified the accuracy or completeness of any such information or conducted an appraisal of any assets. We have not carried out any form of due diligence or audit on the accounting or other records of VINZ. We do not warrant that our enquiries would reveal any matter which an audit, due diligence review or extensive examination might disclose.

6.3 Disclaimer

We have prepared this report with care and diligence and the statements in the report are given in good faith and in the belief, on reasonable grounds, that such statements are not false or misleading. However, in no way do we guarantee or otherwise warrant that any forecasts of future profits, cash flows or financial position of VINZ will be achieved. Forecasts are inherently uncertain. They are predictions of future events that cannot be assured. They are based upon assumptions, many of which are beyond the control of VINZ and its directors and management. Actual results will vary from the forecasts and these variations may be significantly more or less favourable.

We assume no responsibility arising in any way whatsoever for errors or omissions (including responsibility to any person for negligence) for the preparation of the report to the extent that such errors or omissions result from our reasonable reliance on information provided by others or assumptions disclosed in the report or assumptions reasonably taken as implicit.

Our evaluation has been arrived at based on economic, exchange rate, market and other conditions prevailing at the date of this report. Such conditions may change significantly over relatively short periods of time. We have no obligation or undertaking to advise any person of any change in circumstances which comes to our attention after the date of this report or to review, revise or update this report.

We have had no involvement in the preparation of the Target Company Statement issued by VINZ and have not verified or approved the contents of the Target Company Statement. We do not accept any responsibility for the contents of the Target Company Statement except for this report.

6.4 Indemnity

VINZ has agreed that to the extent permitted by law, it will indemnify Simmons Corporate Finance and its directors and employees in respect of any liability suffered or incurred as a result of or in connection with this engagement. This indemnity does not apply in respect of any negligence, wilful misconduct or breach of law. VINZ has also agreed to indemnify Simmons Corporate Finance and its directors and employees for time incurred and any reasonable costs in relation to any inquiry or proceeding initiated by any person as a result of or in connection with this engagement. Where Simmons Corporate Finance or its directors and employees are found liable for or guilty of negligence, wilful misconduct or breach of law, Simmons Corporate Finance shall reimburse such costs.

7. Qualifications and Expertise, Independence, Declarations and Consents

7.1 Qualifications and Expertise

Simmons Corporate Finance is a New Zealand owned specialist corporate finance advisory practice. It advises on mergers and acquisitions, prepares independent expert's reports and provides valuation advice.

The person in the company responsible for issuing this report is Peter Simmons, B.Com, DipBus (Finance), CFIP.

Simmons Corporate Finance and Mr Simmons have significant experience in the independent investigation of transactions and issuing opinions on the merits and fairness of the terms and financial conditions of the transactions.

7.2 Independence

Simmons Corporate Finance has no conflict of interest that could affect its ability to provide an unbiased report.

Simmons Corporate Finance has not had any part in the formulation of the JEVIC Offer or any aspects thereof. Our sole involvement has been the preparation of this report.

Simmons Corporate Finance will receive a fixed fee for the preparation of this report. This fee is not contingent on the conclusions of this report or the outcome of the JEVIC Offer. We will receive no other benefit from the preparation of this report.

7.3 Declarations

An advance draft of this report was provided to the Company's directors for their comments as to the factual accuracy of the contents of the report. Changes made to the report as a result of the circulation of the draft have not changed the methodology or our conclusions.

Our terms of reference for this engagement did not contain any term which materially restricted the scope of the report.

7.4 Consents

We consent to the issuing of this report in the form and context in which it is to be included in the Target Company Statement to be sent to VINZ's shareholders. Neither the whole nor any part of this report, nor any reference thereto may be included in any other document without our prior written consent as to the form and context in which it appears.

P. Simmons

Peter Simmons
Director
Simmons Corporate Finance Limited

21 January 2013